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AUTHOR Hancox, David R.
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ABSTRACT

In 1997, the New York State Office of the Comptroller performed an audit of Tuition Assistance Program (TAP) and Supplemental Tuition Assistance Program (STAP) awards at Monroe Community College (New York). TAP, the largest student grant and scholarship program administered by New York's Higher Education Services Corporation (HESC), is designed to provide tuition aid to full-time students enrolled in approved programs. STAP is a special program providing up to one additional year of aid for educationally disadvantaged undergraduate students. According to HESC's records, the college certified 9,768 students for 21,688 TAP and STAP awards totaling $16.3 million from 1992-93 through 1994-95. Out of a statistical sample of 200 of these awards, 5 were disallowed because students were not in good academic standing or not attending full-time attendance. An additional 12 awards were disallowed from outside the sample audit period. It was thus determined that the college was overpaid $145,342 due to incorrectly certified students. The auditors recommended that HESC recover the $145,342 plus interest, and that the college take steps to ensure that Monroe officials adhere to the guidelines relating to good academic standing and full-time status. (HAA)

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Monroe Community College

Report 96-T-2

David R. Hancox

New York State Office of the Comptroller

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H. CARL McCALL
STATE COMPTROLLER

A.E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

April 9, 1997

Mr. Richard Mills
Commissioner
State Education Department
Education Building
Albany, NY 12234

Mr. Robert J. Maurer
President
Higher Education Services Corporation
99 Washington Avenue
Albany, NY 12255

Re: Monroe Community College
Report 96-T-2

Dear Mr. Mills and Mr. Maurer:

According to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution, Section 8, Article 2 of the State Finance Law and a Memorandum of Agreement dated December 1, 1989 involving the State Comptroller, the Commissioner of Education, the President of the Higher Education Services Corporation (HESC) and the Director of the Budget, we audited the records and procedures used in administering the Tuition Assistance Program (TAP) and the Supplemental Tuition Assistance Program (STAP) at Monroe Community College (Monroe) for the 1992-93 through 1994-95 academic years.

Summary Conclusions

According to Section 665(3)(b) of the Education Law, we determined that Monroe was overpaid $145,342 because school officials incorrectly certified students as eligible for TAP awards. From our statistical sample, we disallowed five awards totaling $4,690. A statistical projection of our audit disallowances to the entire population results in an audit disallowance of $140,219. We also disallowed 12 awards totaling $5,123 based on our review of other awards from outside the sample period. We calculate that Monroe was overpaid a total of $145,342 for improperly certified TAP awards. We recommend that HESC recover this amount plus applicable interest from Monroe.

Background

Monroe, located in Rochester, New York, is one of the 30 two-year community colleges within the State University of New York. Monroe is authorized to grant Associate in Arts (AA), Associate in Applied Science (AAS) and Associate in Science (AS) degrees and certificates in many fields including Business Administration, Human Services, Criminal Justice, Food Service Administration and Automotive Technology. All but three certificate programs offered at Monroe are approved by the State Education Department as TAP eligible programs.

TAP is the largest of the various student grant and scholarship programs administered by HESC. It is an entitlement program designed to provide tuition aid to eligible full-time students who are enrolled in a variety of programs. STAP is designed to provide up to one year of additional State aid for students who are educationally disadvantaged and in need of remediation.

Draft copies of this report were provided to the State Education Department (SED), HESC and Monroe officials for their review and comment. SED and Monroe officials agree with the issues presented in this report. HESC defers to SED on the educational issues.

Audit Scope

The objective of our financial and compliance audit was to determine whether Monroe's management complied with appropriate laws, rules and regulations for certifying students as eligible for TAP and STAP awards. The scope of our audit did not include reviewing the records and procedures of HESC as they relate to determining the amount of the awards.

According to HESC's records, Monroe certified 9,768 students for 21,688 TAP and STAP awards totaling $16.3 million during the 1992-93 through 1994-95 academic years. We selected and reviewed a statistical sample of 200 awards totaling $154,332 paid on behalf of 199 students during that period. In addition, we did a limited review of HESC's records for the 1990-91 and 1991-92 academic years to detect certain errors or inconsistencies in Monroe's certifications of student eligibility for TAP and STAP. We also reviewed other awards that came to our attention during the audit.

We did our audit according to generally accepted government auditing standards. Such standards require that we plan and do our audit to adequately assess those operations of Monroe which we include within our audit scope. These standards also require that we review and report on Monroe's internal control system and its compliance with those laws, rules and regulations that are relevant to Monroe's operations that are included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting records and includes applying such other auditing procedures we consider necessary. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings, conclusions and recommendations.

In planning and doing our audit of Monroe, we reviewed management's internal control system. Our audit was limited to a preliminary review of the internal control system to obtain an understanding of the environment and the flow of transactions through the accounting system and other systems supporting the claims for student financial aid.

Monroe's management is responsible for complying with the Education Law (Law) and Commissioner of Education's Rules and Regulations (Regulations). In connection with our audit, we did tests of Monroe's compliance with certain provisions of the Law and the Regulations. Our objective in doing these tests was to obtain reasonable assurance that the amount Monroe received for TAP and STAP awards was allowable; it was not to provide an opinion on Monroe's overall compliance with such provisions.

The results of our audit indicated that for the transactions and records tested, Monroe complied, in all material respects, with the provisions referred to in the preceding paragraph, except as noted in the following sections of the report.

Audit Disallowances

The following table summarizes the disallowances that resulted from our audit.

Reason for Disallowance	Number of Awards	Amount	
Disallowances from Statistical Sample:			
Students Not in Good Academic Standing	4	$3,677	
Student Not in Full-Time Attendance	1	1,013	
Total Sample Disallowance	5	$4,690	
Projected Amount			$140,219
Disallowances from Outside the Statistical Sample:			
Students Not in Good Academic Standing	5	$3,685	
Students Not Eligible for Summer Payment	6	683	
Student Not in Full-Time Attendance	1	755	
Total Disallowances from Outside of Sample	12		5,123
Total Audit Disallowance			$145,342

We discuss the various types of disallowances in the following sections of this report. We provided details of the statistical projection, students' names and related information to Monroe officials separately.

Students Not in Good Academic Standing

Criteria - Section 665 of the Law requires that students remain in good academic standing to maintain eligibility for State financial assistance. Section 145-2.2 of the Regulations states that to remain in good academic standing a student must (1) maintain satisfactory academic progress toward completion of a program and (2) pursue the program of study in which he or she is enrolled.

To maintain satisfactory academic progress, a student must have earned at least a certain number of credits and earned at least a certain cumulative grade point average as required in the college's published Satisfactory Academic Progress chart approved by the SED. A student is pursuing the approved program of study if, during each term of study for which he or she receives an award, the student receives a passing or failing grade in a predetermined percentage of the minimum full-time course load.

When a student fails to maintain good academic standing, the student loses prospective TAP eligibility. A student may regain such standing by obtaining a one-time TAP waiver, making up the deficiency at his or her own expense or remaining out of school for one calendar year.

Audit Determination - We identified four awards in our statistical sample and five awards outside our sample period paid to students who failed to maintain good academic standing and therefore were not eligible for the awards they received. Six of the awards were paid to students who did not earn the required number of credits or attain the grade point average required to maintain satisfactory academic progress as defined in Monroe's approved Satisfactory Academic Progress Chart published in its catalog. The remaining three awards were paid to students who did not pass or fail the number of credits required to maintain pursuit of program criterion.

These students did not make up their deficiency without State funds or receive a TAP waiver. Therefore, they were not eligible for TAP for one calendar year from the time they lost good academic standing.

School Officials' Position - Monroe officials agreed with these disallowences. They stated they have updated their procedures for determining satisfactory academic progress based on guidance received in the audit report.

Students Not in Full-Time Attendance

Criteria - Section 661 of the Law states that a student must be in full-time attendance, as defined by the Commissioner of Education, to be eligible for financial aid awards. Full-time study is defined as enrollment for at least 12 semester hours for a semester of 15 weeks or more. Section 145-2.1 of the Regulations states that courses not recommended or required by the school as an integral part of the student's program shall not contribute toward full-time status. Also, SED's Chief Executive Officer's (CEO) Bulletin No. 86-17 states that if a student repeats a course in which a passing grade was already achieved, the course cannot count as part of the student's minimum full-time course load for financial aid purposes.

Audit Determination - We identified one award from our statistical sample and one award from outside the sample period paid on behalf of two students who did not maintain full-time status. Both students' full-time status was calculated including repeated courses in which a passing grade was already obtained.

School Officials' Position - Monroe officials agreed with these disallowed awards. According to Monroe officials, they have modified their software package used to calculate TAP awards to account for repeat courses in accordance with the guidance provided in the audit report.

Summer Awards

Criteria - Section 665 of the Law and Section 145-2.9 of the Regulations require students who receive half-time TAP awards for an accelerated summer semester must be enrolled full-time in either the Spring semester before or the Fall semester after the Summer term in which the award was received.

Audit Determination - For the two academic years before our statistical sample years, we identified six Summer TAP awards paid to students who were not eligible for these awards. These students were not enrolled full-time during the prior Spring or subsequent Fall term to be eligible for the Summer award they received.

School Officials' Position - Monroe officials agreed with these disallowances. Officials indicate that they enhanced their process for certifying TAP in the summer term.

Other Matter Needing Attention

Students Certified Improperly for TAP

During our audit, we found that students at Monroe were certified for TAP when they should have been certified for STAP. These students were tested and found to be educationally disadvantaged, but did not appear on a list generated by the school's Educational Opportunity Program (EOP) office. They took the appropriate number of remedial hours, but because they were not on a list from the EOP office, Monroe incorrectly certified the students for TAP. We recommend that school officials recertify these students TAP awards as STAP awards. School officials agreed to recertify these awards.

School Officials Position - Monroe officials agree that several students were inadvertently certified for TAP when they were qualified for STAP. They are working with HESC staff to recertify these STAP awards.

Recommendation to the Higher Education Services Corporation

Recover $145,342, plus applicable interest, from Monroe for its incorrect TAP certifications.

Recommendation to the State Education Department

Ensure that Monroe officials adhere to the guidelines relating to good academic standing and full-time status.

Major contributors to this report were Carmen Maldonado, Frank Russo, Kenneth I. Shulman, Mary Eileen Barret, Gregory Pierre, Laura Smith and Don Collins.

We wish to express our appreciation to the management and staff of Monroe Community College for the courtesies and cooperation extended to our auditors during this audit.

Yours truly,

David R. Hancox

David R. Hancox
Director of State & NYC Audits

cc: Patricia A. Woodworth
Peter A. Spina, Ph.D.
John T. Auberger
John D. Doyle
Mark Spennacchio
John Murphy